



Solar Soft Costs Reduction Strategies Factsheet

An Initiative of the U.S. Climate Alliance

| Background

Solar “soft costs” are the non-hardware costs associated with going solar and include permitting, interconnection, financing and installation, as well as acquiring new customers. While solar hardware costs continue their rapid decline, soft costs now often make up as much as two thirds of total costs of a solar project. Reducing soft costs is essential to creating robust, self-sustaining markets for solar in the U.S.

In January 2018, the federal government enacted import tariffs on solar hardware components including cells and panels, which are forecast to increase the total cost of US solar projects by about 10 percent and reduce installations by 11 percent nationwide. The tariffs could reduce installed solar capacity by 7.6 gigawatts over the next five years.

| State Leadership to Date

Many U.S. Climate Alliance states have implemented strategies to reduce soft costs and support the deployment of solar.

- New York State, through the NY Sun program, has developed a “Guidebook for Local Governments” with information, tools, and step-by-step instructions to support local governments managing solar energy development in their communities.
- Other states?

| U.S. Climate Alliance Collaboration

U.S. Climate Alliance states are acting to accelerate solar adoption and soften the impact of the federal solar tariff by collaborating on characterizing and lowering solar soft costs. States are collaborating to develop a “National Solar Ready Community” guidebook to support solar deployment and reduce costs.

The guidebook will draw upon best practices pioneered by leading states, nonprofits and the federal government to deliver implementation resources to accelerate the solar market and reduce soft costs.

| States ~~may commit~~ are considering commitments to soft costs reduction targets to offset the federal import tariff.

The [[HYPERLINK "https://www.usclimatealliance.org/"](https://www.usclimatealliance.org/)] is a bipartisan coalition of seventeen governors committed to reducing greenhouse gas emissions consistent with the goals of the Paris Agreement.